Customs Bulletin

Regulations, Rulings, Decisions, and Notices concerning Customs and related matters

and Decisions

of the United States Court of Customs and Patent Appeals and the United States Court of International Trade

Vol. 16 JUNE 23, 1982 No. 25

This issue contains

THE DEPARTMENT OF THE TREASURY
U.S. Customs Service

NOTICE

The abstracts, rulings, and notices which are issued weekly by the U.S. Customs Service are subject to correction for typographical or other printing errors. Users may notify the U.S. Customs Service, Logistics Management Division, Washington, D.C. 20229, of any such errors in order that corrections may be made before the bound volumes are published.

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U.S. Custom Service

Treasury Decisions

(T.D. 82-104)

Bonds

Approval and discontinuance of Carrier's Bonds, Customs Form 3587

Bonds of carriers for the transportation of bonded merchandise have been approved or discontinued as shown below. The symbol "D" indicates that the bond previously outstanding has been discontinued on the month, day, and year represented by the figures which follow. "PB" refers to a previous bond, dated as represented by figures in parentheses immediately following, which has been discontinued. If the previous bond was in the name of a different company or if the surety was different, the information is shown in a footnote at the end of the list.

Dated: June 4, 1982.

Name of principal and surety	Date of bond	Date of approval	Filed with district director/area director/amount
Adby Transport Ltd.—See Trimac Transportation Group Ltd.			
Advance Air Freight, Inc., P.O.B. 2291, Nashville, TN; freight forwarder; Fireman's Fund Ins. Co. D 5/5/82	Feb. 2, 1981	Feb. 9, 1981	New Orelans, LA $50,000
Associated Freight Lines, 2403 Willow St., Oakland, CA; motor carrier; Peerless Ins. Co. (PB 12/1/76) D 4/20/82	Mar. 16, 1982	Apr. 20, 1982	San Francisco, CA $25,000
Atlanta & Saint Andrews Bay Railway Co., 514 East Main St., P.O. Box 729, Dothan, AL; rail carrier; Industrial Indemnity Co. (PB 9/30/74) D 4/23/82 [1]	Apr. 14, 1982	Apr. 23, 1982	Mobile, AL $100,000
George Bennett Motor Express, Inc., P.O.B. 569, McDonough, CA; motor carrier; American Druggists' Ins. Co.	Mar. 25, 1982	May 4, 1982	Savannah, GA $50,000

Name of principal and surety	Date of bond	Date of approval	Filed with district director/area director/amount
Branch Motor Express Co., 114 5th Ave., New York, NY; motor carrier; United States Fidelity & Guaranty Co. (PB 1/3/77) D 3/5/82 [2]	Mar. 5, 1982	Mar. 5, 1982	New York Seaport $200,000
Campbell's Delivery Service, Inc., 10000 John Saunders Rd., San Antonio, TX; motor carrier; The Travelers Indemnity Co.	Apr. 29, 1982	May 5, 1982	Laredo, TX $25,000
Cast North America Ltd., 4150 Ste. Catherine West, Montreal, P.Q., Canada; motor carrier; Travelers Indemnity Co. (PB 10/25/77) D 5/10/82 [3]	Oct. 25. 1981	May 10, 1982	Ogdensburg, NY $50,000
Contrans, 25 James St., New Haven, CT; motor carrier; Washington International Ins. Co. (PB 9/28/79) D 2/16/82 [4]	Feb. 5, 1982	Feb. 17, 1982	Bridgeport, CT $25,000
Howard G. Haughaboo, dba: John C. Haughaboo Trucking Co., 81 Deerfield Village, Maysville, KY; motor carrier; Hartford Accident & Indemnity Co.	Apr. 19, 1982	May 4, 1982	Cleveland, OH $50,000
Millard M. Holden, P.O. Box 562, Pharr, TX; motor carrier; Merchants Mutual Bonding Co. D 4/28/82	Feb. 7, 1980	Feb. 11, 1980	Laredo, TX $25,000
Hook Up Ltd., Box 512, Station K, Toronto, Ontario, Canada; motor carrier; Aetna Casualty & Surety Co.	Feb. 4, 1982	Feb. 11, 1982	Buffalo, NY $25,000
Imperial Roadways Ltd., Winnipeg, Manitoba, Canada; motor carrier; Continental Ins. Co. (PB 12/19/72) D 5/3/82 [5]	Apr. 21, 1982	May 3, 1982	Pembina, ND $25,000
J. Kearns Transport Ltd.—See Trimac Transportation Group Ltd.			
McCambridge Bros. Materials & Supplies, PO Box 389, Sonoma, CA; motor carrier; Peerless Ins. Co.	Sept. 1, 1981	Apr. 19, 1982	San Francisco, CA $25,000
Maccam Transport Ltd.—See Trimac Transportation Group Ltd.			
Mawson & Mawson Inc., 1800 Old Lincoln Hwy, Langhore, PA; motor carrier; Royal Ins. Co. of America (PB 4/8/78) D 4/22/82 [6]	Mar. 24, 1982	Apr. 22, 1982	Philadelphia, PA $25,000
Mercury Tanklines Ltd.—See Trimac Transportation Group Ltd.			
Motorways (1980) Ltd., 60 Eagle Dr., Winnipeg, Manitoba, Canada; motor carrier; Continental Ins. Co. (PB 3/7/79) D 5/10/82 [7]	Apr. 29, 1982	May 10, 1982	Pembina, ND $25,000

Name of principal and surety	Date of bond	Date of approval	Filed with district director/area director/amount
Municipal Tank Lines Ltd.—See Trimac Transportation Group Ltd.			
Oil & Industry Suppliers Ltd.—See Trimac Transportation Group Ltd.			
Pace Motor Lines, Inc., P.O. Box 87, Bridgeport, CT; motor carrier; Hartford Accident & Indemnity Co. (PB 2/12/74) D 4/9/82 [8]	Apr. 1, 1982	Apr. 9, 1982	Bridgeport, CT $25,000
R-W Service System, Inc./Ogden & Moffet Rainbow Express, 20225 Goddard Rd., Taylor, MI; motor carrier; Protective Ins. Co. (PB 8/1/72) D 4/28/82 [9]	Apr. 1, 1982	Apr. 28, 1982	Detroit, MI $50,000
Robinson Cartage Co., 2712 Chicago Dr., SW., Grand Rapids, MI; motor carrier; Hartford Accident & Indemnity Co. (PB 5/13/81) D 4/29/82 [10]	Apr. 22, 1982	Apr. 29, 1982	Detroit, MI $50,000
Rocky Ford Moving Vans, Inc., 510 S. Big Spring, Midland, TX; motor carrier; St. Paul Fire & Marine Ins. Co. D 4/28/82	Feb. 20, 1976	Mar. 22, 1976	Laredo, TX $25,000
Shippers Dispatch, Inc., 1216 W. Sample St., S. Bend, IN; motor carrier; The Ohio Casualty Ins. Co. D 10/1/77	Sept. 7, 1973	Sept. 7, 1973	Detroit, MI $50,000
Soo Security Motorways Ltd.—See Motorways (1980) Ltd.			
Spear Enterprises, Inc., dba: United Truck Lines, 675 Arthur Ave., San Francisco, CA; motor carrier; South Carolina Ins. Co. (PB 5/5/75) D 5/5/82 [11]	May 5, 1982	May 5, 1982	San Francisco, CA $25,000
T.S.C. Express Co., 830 Willoughby Way, N.E., Atlanta, GA; motor carrier; Fidelity & Deposit Co. of MD (PB 11/15/71) D 4/26/82 [12]	Mar. 23, 1982	Apr. 26, 1982	Savannah, GA $25,000
Tank Lines Ltd.—See Trimac Transportation Group Ltd.			
Territorial Transport (1968) Ltd.—See Trimac Transportation Group Ltd.			
Thruway Transfer Inc., 320 Woodmont Rd., Milford, CT; motor carrier; St. Paul Fire & Marine Ins. Co.	Mar. 1, 1982	Apr. 30, 1982	Bridgeport, CT $50,000

Name of principal and surety	Date of bond	Date of approval	Filed with district director/area director/amount
Transport Soulanges Inc.—See Trimac Transportation Group Ltd.			
Trimac Transportation Group Ltd., & its wholly-owned sub: H. M. Trimble & Sons Ltd., Maccam Transport Ltd., Oil and Industry Suppliers Ltd., Municipal Tank Lines Ltd., Westland Carriers Ltd., J. Kearns Transport Ltd., Adby Transport Ltd., Mercury Tanklines Ltd., Territorial Transport (1968) Ltd., Tank Lines Ltd., Transport Soulanges Inc., P.O. Box 3500, 736 8th Ave., SW, 3rd Floor, Calgary, Alberta, Canada; motor carrier; Seaboard Surety Co. (PB 12/20/78) D 4/29/82 [13]	Apr. 6, 1982	Apr. 29, 1982	Great Falls, MT $150,000
United Truck Lines—See Spear Enterprises, Inc.			
Verspeeten Cartage Ltd., 67 Dalton Rd., Delhi, Ontario, Canada; motor carrier; St. Paul Fire & Marine Ins. Co.	Apr. 22, 1982	Apr. 28, 1982	Buffalo, NY $25,000
Westland Carriers Ltd.—See Trimac Transportation Group Ltd.			

[1] Surety is Fidelity & Deposit Co. of Md.
[2] Surety is Seaboard Surety Co.
[3] Surety is Transamerica Ins. Co.
[4] Surety is Old Republic Ins. Co.
[5] Surety is United States Fidelity & Guaranty Co.
[6] Surety is Aetna Casualty & Surety Co.
[7] Principal is Soo Security Motorways Ltd.
[8] Surety is Peerless Ins. Co.
[9] Principal is R-W Service System, Inc.; Surety is Ins. Co. of North America.
[10] Surety is American Casualty Co.
[11] Surety is St. Paul Fire & Marine Ins. Co.
[12] Principal is Theatres Service Co.
[13] Principal is Trimac Transportation Group Ltd., and its w/o/s: H.M. Trimble & Sons, Ltd., Oil and Industry Suppliers Ltd., Maccam Transport Ltd., Municipal Tanklines Ltd., Mercury Tanklines Ltd.

BON-3-03

MARILYN G. MORRISON,
Director,
Carriers, Drawback and Bonds Division.

(T.D. 82-105)

Foreign Currencies—Daily Rates For Countries Not on Quarterly List

The Federal Reserve Bank of New York, pursuant to section 522(c), Tariff Act of 1930, as amended (31 U.S.C. 372(c)), has certified buying rates for the dates and foreign currencies shown below. The rates of exchange, based on these buying rates, are published for the information and use of Customs officers and others con-

cerned pursuant to Part 159, Subpart C, Customs Regulations (19 CFR 159, Subpart C).

Argentina Peso:	
May 3–4, 1982	$0.000083
May 5–7, 1982	.000071
Chile Peso: May 3–7, 1982	0.025094
Colombia Peso: May 5–7, 1982	0.016077
Greece Drachma:	
May 3, 1982	0.016026
May 4, 1982	.015840
May 5, 1982	.015898
May 6, 1982	.015995
May 7, 1982	.016103
Indonesia Rupiah:	
May 3, 1982	0.001530
May 4–7, 1982	.001530
Israel Shekel:	
May 3, 1982	0.048544
May 4, 1982	.048356
May 5, 1982	.048333
May 6, 1982	.048356
May 7, 1982	.048239
Peru Sol:	
May 3–6, 1982	0.001641
May 7, 1982	.001616
South Korea Won: May 3–7, 1982	0.001385

(LIQ–03–01 S:C)

Dated: May 7, 1982.

ANGELA DE GAETANO,
Chief,
Customs Information Exchange.

(T.D. 82–106)

Foreign Currencies—Variances from Quarterly Rate

The following rates of exchange are based upon rates certified to the Secretary of the Treasury by the Federal Reserve Bank of New York, pursuant to Section 522(C), Tariff Act of 1930, as amended (31 U.S.C. 372(c)), and reflect variances of 5 per centum or more from the quarterly rate published in Treasury Decision 82–82 for the following countries. Therefore, as to entries covering merchandise exported on the dates listed, whenever it is necessary for Customs purposes to convert such currency into currency of the United States, conversion shall be at the following rates.

Denmark Krone:	
May 6, 1982	$0.127796
May 7, 1982	.128617
Japan Yen:	
May 5, 1982	0.004272
May 6, 1982	.004282
May 7, 1982	.004293

(LIQ-03-01 S:C)

Dated: May 7, 1982.

ANGELA DE GAETANO,
Chief,
Customs Information Exchange.

(T.D. 82-107)

Foreign Currencies—Daily Rates For Countries Not on Quarterly List

The Federal Reserve Bank of New York, pursuant to section 522(c), Tariff Act of 1930, as amended (31 U.S.C. 372(c)), has certified buying rates for the dates and foreign currencies shown below. The rates of exchange, based on these buying rates, are published for the information and use of Customs officers and others concerned pursuant to Part 159, Subpart C, Customs Regulations (19 CFR 159, Subpart C).

Argentina Peso:	
May 10-14, 1982	$0.000071
Chile Peso:	
May 10-13, 1982	0.025094
May 14, 1982	.025575
Colombia Peso:	
May 10-13, 1982	0.016077
May 14, 1982	.016000
Greece Drachma:	
May 10, 1982	0.016090
May 11, 1982	.016116
May 12, 1982	.016168
May 13, 1982	016038
May 14, 1982	.015906
Indonesia Rupiah:	
May 10-13, 1982	0.001530
May 14, 1982	.001529
Israel Shekel:	
May 10, 1982	0.048054
May 11, 1982	.047893

May 12, 1982	.047939
May 13, 1982	.047733
May 14, 1982	.047348
Peru Sol:	
May 10, 1982	0.001660
May 11, 1982	.001616
May 12–13, 1982	.001616
May 14, 1982	.001599
South Korea Won:	
May 10–13, 1982	0.001385
May 14, 1982	.001381

(LIQ-03-01 S:C)

Dated: May 14, 1982.

ANGELA DE GAETANO,
Chief,
Customs Information Exchange.

(T.D. 82-108)

Foreign Currencies—Variances From Quarterly Rate

The following rates of exchange are based upon rates certified to the Secretary of the Treasury by the Federal Reserve Bank of New York, pursuant to Section 522(C), Tariff Act of 1930, as amended (31 U.S.C. 372(c)), and reflect variances of 5 per centum or more from the quarterly rate published in Treasury Decision 82-82 for the following countries. Therefore, as to entries covering merchandise exported on the dates listed, whenever it is necessary for Customs purposes to convert such currency into currency of the United States, conversion shall be at the following rates.

Austria Schilling:	
May 11, 1982	$0.062305
May 12, 1982	.062267
Belgium Franc:	
May 11, 1982	0.023180
May 12, 1982	.023207
Brazil Cruzeiro:	
May 13–14, 1982	0.006315

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Denmark Krone:	
May 10–11, 1982	0.129032
May 12, 1982	.129400
May 13, 1982	.128535
May 14, 1982	.127877
France Franc:	
May 12, 1982	0.167926
Germany Mark:	
May 10, 1982	0.437445
May 11, 1982	.438212
May 12, 1982	.438020
Ireland Pound:	
May 10, 1982	1.5130
May 11, 1982	1.5150
May 12, 1982	1.517500
Japan Yen:	
May 10, 1982	0.004286
May 11, 1982	.004295
May 12, 1982	.004277
Netherlands Guilder:	
May 11, 1982	0.393701
May 12, 1982	.393933
Portugal Escudo:	
May 12, 1982	0.014368
Spain Peseta:	
May 11, 1982	0.009830
May 12, 1982	.009844

(LIQ-03-01 S:C)

Dated: May 14, 1982.

ANGELA DE GAETANO,
Chief,
Customs Information Exchange.

(T.D. 82-109)

Foreign Currencies—Daily Rates For Countries Not on Quarterly List

The Federal Reserve Bank of New York, pursuant to section 522(c), Tariff Act of 1930, as amended (31 U.S.C. 372(c)), has certified buying rates for the dates and foreign currencies shown below. The rates of exchange, based on these buying rates, are published for the information and use of Customs officers and others concerned pursuant to Part 159, Subpart C, Customs Regulations (19 CFR 159, Subpart C).

Argentina:	
May 17, 1982	$0.000071
May 18, 1982	.000070
May 19-20, 1982	.000071
May 21, 1982	.000070
Chile Peso:	
May 17, 1982	0.025446
May 18-21, 1982	.025445
Colombia Peso:	
May 17-21, 1982	0.016000
Greece Drachma:	
May 17, 1982	0.015988
May 18, 1982	.015772
May 19, 1982	.015773
May 20, 1982	.015711
May 21, 1982	.015823
Indonesia Rupiah:	
May 17-20, 1982	0.001529
May 21, 1982	.001530
Israel Shekel:	
May 17, 1982	0.047304
May 18, 1982	.046728
May 19-20, 1982	.046729
May 21, 1982	.046168
Peru Sol:	
May 17, 1982	0.001599
May 18, 1982	.001598
May 19-20, 1982	.001599
May 21, 1982	.001584

South Korea:	
May 17, 1982	0.001381
May 18, 1982	.001380
May 19–20, 1982	.001379
May 21, 1982	.001379

(LIQ–03–01 S:C)

Dated: May 21, 1982.

ANGELA DE GAETANO,
Chief,
Customs Information Exchange.

(T.D. 82–110)

Foreign Currencies—Variances from Quarterly Rate

The following rates of exchange are based upon rates certified to the Secretary of the Treasury by the Federal Reserve Bank of New York, pursuant to Section 522(C), Tariff Act of 1930, as amended (31 U.S.C. 372(c)), and reflect variances of 5 per centum or more from the quarterly rate published in Treasury Decision 82–82 for the following countries. Therefore, as to entries covering merchandise exported on the dates listed, whenever it is necessary for Customs purposes to convert such currency into currency of the United States, conversion shall be at the following rates.

Brazil Cruzeiro:	
May 17–21, 1982	$0.006208
Denmark Krone:	
May 17, 1982	0.128206
May 21, 1982	.127714
Spain Peseta:	
May 17, 1982	0.009814

(LIQ–03–01 S:C)

Dated: May 21, 1982.

ANGELA DE GAETANO,
Chief,
Customs Information Exchange.

(T.D. 82-111)

Foreign Currencies—Daily Rates For Countries Not on Quarterly List

The Federal Reserve Bank of New York, pursuant to section 522(c), Tariff Act of 1930, as amended (31 USC 372(c)), has certified buying rates for the dates and foreign currencies shown below. The rates of exchange, based on these buying rates, are published for the information and use of Customs officers and others concerned pursuant to Part 159, Subpart C, Customs Regulations (19 CFR 159, Subpart C).

Argentina Peso:	
May 24-27, 1982	$0.000070
May 28, 1982	.000069
Chile Peso:	
May 24-28, 1982	0.025445
Colombia Peso:	
May 24-28, 1982	0.016000
Greece Drachma:	
May 24, 1982	0.015848
May 25, 1982	.015785
May 26, 1982	.015723
May 27, 1982	.015601
May 28, 1982	.015748
Indonesia Rupiah:	
May 24-27, 1982	0.001530
May 28, 1982	.001528
Israel Shekel:	
May 24, 1982	0.046168
May 25, 1982	.045935
May 26, 1982	.046104
May 27, 1982	.045914
May 28, 1982	.045914
Peru Sol:	
May 24-27, 1982	0.001584
May 28, 1982	.001559
South Korea Won:	
May 24-25, 1982	0.001379
May 26-27, 1982	.001372
May 28, 1982	.001367

(LIQ-03-01 S:C)

Dated: May 28, 1982.

ANGELA DE GAETANO
Chief,
Customs Information Exchange.

(T.D. 82-112)

Foreign Currencies—Variances From Quarterly Rate

The following rates of exchange are based upon rates certified to the Secretary of the Treasury by the Federal Reserve Bank of New York, pursuant to Section 522(C), Tariff Act of 1930, as amended (31 U.S.C. 372(c)), and reflect variances of 5 per centum or more from the quarterly rate published in Treasury Decision 82-82 for the following countries. Therefore, as to entries covering merchandise exported on the dates listed, whenever it is necessary for Customs purposes to convert such currency into currency of the United States, conversion shall be at the following rates.

Brazil Cruzeiro:	
May 24-25, 1982	$0.006208
May 26-28, 1982	.006091
Denmark Krone:	
May 24, 1982	0.128090
France Franc:	
May 24, 1982	0.167926

(LIQ-03-01 S:C)

Dated: May 28, 1982.

ANGELA DE GAETANO,
Chief,
Customs Information Exchange.

(T.D. 82-113)

Tuna Fish—Tariff-Rate Quota

The tariff-rate quota for the calendar year 1982, on tuna classifiable under item 112.30, Tariff Schedules of the United States, (TSUS).

AGENCY: U.S. Customs Service, Department of Treasury.

ACTION: Announcement of the quota quantity for tuna for calendar year 1982.

SUMMARY: Each year the tariff-rate quota for tuna fish described in item 112.30, (TSUS), is based on the U.S. pack of canned tuna during the preceding calendar year.

EFFECTIVE DATES: The 1982 tariff-rate quota is applicable to tuna fish entered, or withdrawn from warehouse, for consumption during the period January 1 through December 31, 1982.

FOR FURTHER INFORMATION CONTACT: William D. Slyne, Chief, Special Operations Branch, Duty Assessment Division, Office of Commercial Operations, U.S. Customs Service, Washington, D.C. 20229 (202-566-2957).

It has now been determined that 109,742,200 pounds of tuna may be entered for consumption or withdrawn from warehouse for consumption during the calendar year 1982, at the rate of 6 per centum ad valorem under item 112.30, TSUS. Any such tuna which is entered, or withdrawn from warehouse, for consumption during the current calendar year in excess of this quota will be dutiable at the rate of 12.5 per centum ad valorem under item 112.34 of the tariff schedules.

ALFRED R. DE ANGELUS,
Acting Commissioner of Customs.

(QUO-2-O:D:S:Q)

Dated: June 2, 1982.

[Published in the Federal Register, June 11, 1982 (47 FR 25433)]

ERRATUM

For the Treasury Decisions listed below, after "Treasury Decision" delete 81-269. In its place, insert 82-81.

Treasury Decisions:

Volume 16 No. 13 March 31, 1982:
- 82-42
- 82-44
- 82-46
- 82-48

Volume 16 No. 16 April 21, 1982:
- 82-59
- 82-61
- 82-63
- 82-65

Volume 16 No. 17 April 28, 1982:
- 82-68
- 82-70
- 82-72
- 82-74
- 82-76

Decisions of the U.S. Court of Customs and Patent Appeals

No. 81-31

TEXAS INSTRUMENTS, INC. *v.* UNITED STATES

1. CLASSIFICATION—CAMERA PARTS—DUTY-FREE ENTRY UNDER GSP

Court of International Trade decision that appellant's importation of camera parts was not entitled to duty-free treatment pursuant to the Generalized System of Preferences, 19 U.S.C. 2461, *et seq.*, is reversed.

2. ID. PRODUCTION OF ENCAPSULATED INTEGRATED CIRCUITS IN TAIWAN FROM IMPORTED PARTS—MEANING OF "MERE ASSEMBLY"

Court of International Trade erred in holding that the production of encapsulated integrated circuits in Taiwan from imported parts constituted the "mere assembly" of fabricated components which could not, as a matter of law within the meaning of the Generalized System of Preferences, be considered "materials" produced in Taiwan to be utilized in the production of "eligible articles."

3. ID. ISSUE OF "SUBSTANTIAL TRANSFORMATION"

Issue of "substantial transformation" is a mixed question of technology and customs law, mostly the latter.

4. ID. ASSEMBLY OF MATERIALS

Assembly of encapsulated integrated circuit in Taiwan from slices containing many integrated circuit chips, gold wire, lead frame strips, molding compound, and epoxy all imported from the United States, constituted the substantial transformation of those items into a new and different article of commerce such that the encapsulated integrated circuits could be considered materials produced in Taiwan for the purposes of the Generalized System of Preferences.

F. 2d

TEXAS INSTRUMENTS INCORPORATED, APPELLANT *v.* THE UNITED STATES, APPELLEE

No. 81-31

United States Court of Customs and Patent Appeals, June 3, 1982, Appeal from United States Court of International Trade.

[Reversed]

Frederick L. Ikenson, of Washington, D.C., attorney for appellant.

J. Paul McGrath, Assistant Attorney General, *David M. Cohen,* Director, *Joseph I. Liebman,* Attorney-in-charge, and *Saul Davis,* of New York City, attorneys for appellee.

[Oral argument on March 8, 1982 by *Frederick L. Ikenson* for appellant and *Saul Davis* for appellee.]

Before MARKEY, *Chief Judge,* RICH, BALDWIN, MILLER, and NIES, *Associate Judges.*

RICH, *Judge.*

This appeal is from the decision of the United States Court of International Trade (court below) granting the Government's motion for summary judgment and denying Texas Instrument's (TI) cross-motion for summary judgment, holding that TI's importation was not entitled to duty-free entry pursuant to the Generalized System of Preferences (GSP), 19 U.S.C. 2461, *et seq.,* 520 F. Supp. 1216, 2 CIT ——, (1981). We reverse.

BACKGROUND

The imported goods are electronic camera parts, called "cue modules," and consist of a flexible circuit board having attached thereto three integrated circuits (IC's), one photodiode, one capacitor, one resistor, and a jumper wire (which is merely extra lead length cut from the resistor). Below is a diagram of one complete cue module. It is to be undertstood that the conductors in the flexible circuit board interconnect the components and that the module is intended to be incorporated in a camera.

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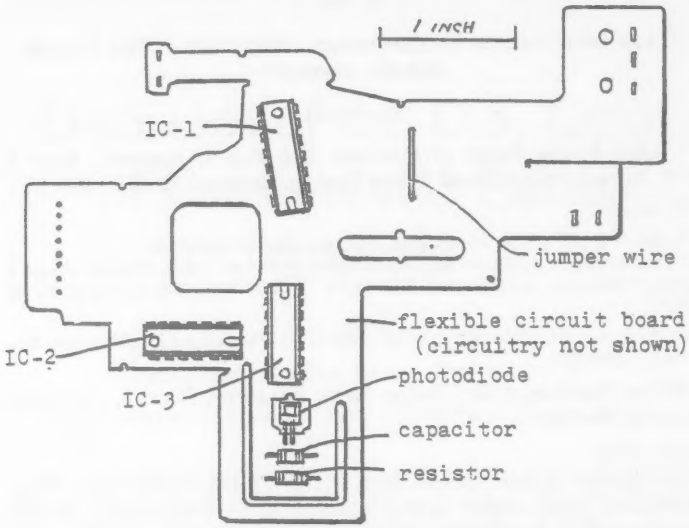

The cue modules were classified as "other" parts of photographic cameras under Tariff Schedules of the United States (TSUS), item 722.34, as modified by T.D. 68-9, and assessed with a 10% ad valorem duty. Appellant agreed that the goods were properly classified, but argued that they should have received duty-free treatment under the GSP in accordance with TSUS General Headnote 3(c).[1]

The pertinent facts were described by the court below as follows:

> Certain items were imported into Taiwan where they were then assembled into the ICs and photodiodes. These items consisted of silicon slices containing a multitude of fabricated electronic chips, lead frame strips, mold compound, gold wire on spools and chip mounting material, either epoxy or gold preforms. The chips were separated by a "scribe and break" operation. Subsequently, each chip was mounted (and by use of epoxy or gold preform made to adhere conductively) to a section of a lead frame strip. Pieces of gold wire were used to provide an electrical connection from various areas on the chip to

[1] General Headnote 3(c)(ii), 19 U.S.C. 1202, reads, in relevant part:

Whenever an eligible article is imported into the customs territory of the United States directly from a country or territory listed in subdivision (c)(i) of this headote, it shall receive duty-free treatment unless excluded from such treatment by subdivision (c)(iii) of this headnote, provided that, in accordance with regulations promulgated by the Secretary of the Treasury:

(A) The sum of (1) the cost or value of the materials produced in the beneficiary developing countrty, plus (2) the direct costs of processing operations performed in such country is not less than 35 percent of the appraised value of such article at the time of its entry into the customs territory of the United States; * * *.

See 19 U.S.C. 2463 (b)(2).

> various areas on each lead frame strip section. Plastic mold compound was then liquefied and molded under pressure over each section of lead frame strip containing a bonded and connected chip (or, in one instance, two bonded and connected chips). After the mold compound hardened into a protective covering, the lead frame strips were trimmed and severed into a multitude of individual devices. The devices, at this stage, were finished ICs and photodiodes.

Additionally, we note that the principal parts of the cue module, and materials such as gold wire, epoxy, and molding compounds, including those utilized in Taiwan to construct the IC's and photodiodes, were imported into Taiwan from the United States.

[1] The court below, granting the Government's motion for summary judgment, held that the "value of the IC's and photodiodes cannot be included in the figures for the 'cost of material' and 'direct costs of processing' to determine whether these figures are not less than 35 percent of the appraised value of the cue modules." The court opined that the "use of the term 'article' to refer to imported merchandise, and use of the term 'material' to refer to the value added [sic] requirement for the 'eligible article' in the BDC [beneficiary developing country], clearly demonstrates the Congressional intent to differentiate between 'articles' on the one hand and 'materials' on the other hand."

Referencing 19 CFR 10.177(a),[2] which limits inclusion in the 35 percent of appraised value (not "value added") figure to, among other things, "material" which was either wholly the growth, product, or manufacture of the BDC or substantially transformed in the BDC into a new and different article of commerce, the court stated that, "while the assembly of fabricated components, rather than materials, may be relevant in determining whether the 'eligible article' was a product of the BDC, assembly of fabricated components is not relevant respecting the 35 percent value added [sic] requirement." The court concluded that, "the GSP statute and pertinent regulations preclude the inclusion of fabricated components produced outside the BDC and assembled in the BDC in the 'cost or value of the materials produced in the beneficiary developing country' to determine the 35 percent value added [sic] requirement. Consequently, *the value of the ICs and photodiodes cannot be included in the figures for the 'cost of materials' and 'direct costs of processing'* to determine whether these figures are not less than 35 percent of the appraised value of the cue modules." (Emphasis ours.)

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[2] 19 CFR 10.177(a) reads:

(a) *"Produced in the beneficiary developing country" defined.* For purposes of §§10.171 through 10.178, the words produced in the beneficiary developing "country" refer to the constituent materials of which the eligible article is composed which are either:

(1) Wholly the growth, product, or manufacture of the beneficiary developing country; or

(2) Substantially transformed in the beneficiary developing country into a new and different article of commerce.

ISSUE

The Issue, therefore, is whether the IC's and photodiodes found in the imported cue modules are "materials" which may be considered to have been "produced" in Taiwan. Was there such a "substantial transformation" of the parts and materials going to make up the IC's and photodiodes that "a new and different article of commerce" was produced?

There are no issues regarding the other requirements of the GSP. Taiwan is listed in General Headnote 3(c)(i) as a beneficiary developing country, the articles described by TSUS item 722.34 are GSP "eligible articles," and the cue modules were imported from Taiwan directly into the customs territory of the United States.

OPINION

Initially, we note the conceptual difficulty which the facts of this case bring to the fore. 19 CFR 10.177(a) instructs that "constituent materials" of an "eligible article" may be considered produced in a BDC, even though imported thereinto, if they are there "substantially transformed * * * into a new and different article of commerce." One would likely believe that application of this rule normally arises upon the "substantial transformation" of *one* item, for example, the production of woven fabric components of shirts from imported raw fiber. In this case, however, we have several imported items—silicon slices containing unsevered IC chips, multiple lead frame strips, gold wire, molding compounds, etc.—some of which undergo some transformation before or in the course of being assembled by a number of machines to form the IC's and photodiodes and some of which, such as the gold preforms, are used as imported.[3] Thus, the narrow question before us is whether the making of the finished IC's and photodiodes can, as matter of law, be considered under the GSP as the production of a "substantially transformed constituent material" from a "constituent material."

[2] The court below never reached the issue of substantial transformation, holding that a mere assembly of fabricated components *cannot,* within the meaning of the GSP and as a matter of law, create a "material" to be utilized in the production of an "article." The court below relied on T.D. 76-100, 10 Cust. Bull. 176, 178, wherein it was stated that:

> [When articles are] produced by the joining and fitting together of components [, they] are not considered substantially transformed constituent materials. Articles of this kind may well have been substantially transformed, but they are not pro-

[3] The IC chips arrive in Taiwan in unsevered slice form, which slice must therefore be scribed and broken up, the lead frame strips, containing many connected frames, are eventually separated as parts of individual IC's and photodiodes, and the gold wire is snipped into pieces as it comes off a spool, etc., but the only items imported into Taiwan for use in the construction of the IC's and photodiodes which are completely "transformed" into something new are the molding compounds. The mold compounds, black for the IC's and transparent for the photodiodes, are utilized to encapsulate the IC chips.

duced from substantially transformed constituent materials. Under this criterion, partially completed components which are completed and assembled in the beneficiary developing country into finished articles or components do not qualify as substantially transformed constituent materials. By the same token, most assembly operations and operations incidental to assembly will not qualify. For example, various electronic components and a bare but otherwise finished circuit board are imported into a beneficiary developing country and there assembled by soldering into an assembled circuit board for a computer. Although substantially transformed, the fabricated unit is not a substantially transformed constituent material of the computer, the exported eligible article produced in the beneficiary developing country.

We find nothing in the GSP statutes or related rules to support this limitation on what may be considered a "material," nor is it determinative that Congress chose to distinguish an "eligible article" from that which comprises it by utilizing the different terms "article" and "material." We, therefore, hold that the decision of the court below was in error, and we turn to the substantial transformation issue outlined above.

Appellant TI argues that the "definition of 'produced in' as including 'substantially transformed in' is entirely consistent with court decisions and admininstrative rulings and regulations which have been issued in numerous areas of the customs laws where a country of production must be ascertained." It is asserted that the substantial transformation test is used in determining whether merchandise is eligible for *drawback* under 19 U.S.C. 1313, whether one has complied with the *country of origin marking* statute, 19 U.S.C. 1304, whether an article or component claimed to be of United States origin is eligible for *special tariff treatment* under TSUS item 800.00 or 807.00, whether an article imported into the Virgin Islands claimed to be a product of the United States is eligible for duty-free treatment under 48 U.S.C. 1395, and in determining whether an imported article may be classified as a "manufacture." Appellant states that, "In all of these instances, substantial transformation occurs when, as a result of manufacturing processes, a new and different article emerges, having a distinctive name, character, or use, which is different from that originally possessed by the article or material before being subjected to the manufacturing process." With respect to these differing areas of customs law involving substantial transformation, appellant cites a number of cases, some of which deal with transformation by assembly and some of which deal with the transformation of one item. *Compare, e.g., Adolphe Schwob, Inc.* v. *United States,* 62 Treas. Dec. 248, T.D. 45908 (1932), *aff'd,* 21 CCPA 116, T.D. 46447 (1933) (watches assembled in the United States from imported parts held to have been manufactured in the United States) *with United States* v. *International Paint Co., Inc.,* 35 CCPA 87, C.A.D. 376 (1948) (imported

paint substantially transformed by making it fit for use as a marine antifouling paint).

Appellant also cites Customs Service Decision 80–227, 14 Cust. Bull. No. 49 at 19–20 (1980), where the issue, in a "country of origin marking" case, was "whether assembly of integrated circuits, including attachment of the die and lead wires, encapsulation and testing, from imported semiconductor chips constitutes a substantial transformation." Noting that "semiconductor chips and other materials of no functional use in their imported state are to be assembled by a manufacturer in the United States," it was stated that

> We are of the opinion that the procedures of attachment of the die and lead wires and encapsulation will result in a substantially transformed product. The use, character, name and value of a finished integrated circuit is substantially different from a semiconductor chip. Testing and marking only, however, are not considered to result in a substantial transformation.

In light of the recognition that "substantial transformation" is utilized in various aspects of customs law, appellant urges that "the concept of substantial transformation appears—not as some creative innovation, but as a familiar rule with a consistent and uniform meaning in customs law." Applying what it perceives to be the law, appellant concludes that a substantial transformation has occurred, for "all the materials imported into Taiwan become irreversibly altered and integrated into a new product, having a distinctive name, character, and use * * *."

The Government responds that appellant's construction of the GSP based upon judicial and administrative interpretation of other statutory origin requirements is irrelevant; they "do not possess bifurcated [sic] origin requirements for the imported 'article' as a whole, on the one hand, and for the 'materials' that were utilized in the manufacture of the imported 'article,' on the other hand." The Government also argues that the chips, lead frames, gold wire, and gold preform that

> * * * became components of the imported cue modules in issue, through assembly into the packaged I.C.s and photodiodes which were then assembled into the cue modules in issue, were:
>
> (a) fabricated components that were products of the United States;
>
> (b) did not lose their physical identity, after final assembly into the cue modules in issue, by form, shape or otherwise; and
>
> (c) were not improved in condition or advanced in value except by assembly and operations incidental to assembly.

The Government continues—

> The assembly operations performed in Taiwan merely allow the photodiode portion of the chip to function electronically

> through connections with other United States fabricated components which allow signals to be received into and emitted from the photodiode chip. There was no further fabrication of the photodiode chip itself in Taiwan. The assembly of the gold wire, lead frame, mold compound, and gold preform (or epoxy) with the chip to form the packaged photodiode does not change the chip, lead frame, or gold wire; it merely allows the potential of the chip to be realized.

and

> * * * the I.C. chips contain all of the electronics of the completed packaged I.C. chip and the packaged I.C. which is assembled into the cue module. These components are the essence of the I.C. chip and the packaged I.C. which is assembled into the cue module. The operations performed in the United States *create* the components of the I.C. chip known as the transistors, resistors, capacitors, diodes, and (for one type of chip in issue) the MOS structure. These components are not physically changed in any manner, shape, or form subsequent to the exportation of the I.C. chip in slice form from the United States.

The Government thus concludes that no substantial transformation occurred in Taiwan; "To paraphrase Gertrude Stein, an I.C. (a photodiode) is an I.C. (or photodiode), is an I.C. (or photodiode), is an I.C. (or photodiode) whether packaged or unpackaged." While criticizing appellant for having done the same thing, the Government turns to cases from other areas of customs jurisprudence which discuss substantial transformation, concluding that "there was no fundamental change that spanned classes of articles. * * * Once one separates the wheat from the chaff of appellant's factual presentation, it becomes clear that the packaging does not transform anything." We disagree.

[3] The question presented to us by the "substantial transformation" issue, not addressed by the court below, is a mixed question of technology and customs law, mostly the latter. In essence, the defendant's position, adopted by the court below, is that the making of the IC's and photodiodes was mere assembly of prefabricated components. The following are our principal reasons for disagreeing with the Government's position, adopted by the court below.

(1) One element allegedly imported into Taiwan was IC "chips." Chips were not imported. Silicon slices were imported. These were not ready to be assembled into anything in Taiwan and were never assembled into anything. The slices—carrying many hundreds of IC or photodiode elements, to be sure, but in unfinished or unseparated and "unpackaged" form—had to be further manufactured before chips ready for *assembly* came into existence. This involved the steps of careful scribing and production of the chips from the integral slices. The Government arguments attempt to equate chips and finished (i.e., "packaged") IC's as though, for practical purposes, they are interchangeable. The record is to the contrary. The

affidavit of Jack S. Kilby of June 9, 1980, shows that although the industry has sold both chips and finished IC's, sales of the former are "minute in comparison with sales of" the latter, that the industry clearly distinguishes the two articles, and that when chips are sold "someone must perform the packaging process in order to convert the chip into a useable device." The truth of these statements is supported by the record. A packaged IC must be regarded as a different article of commerce from a mere chip.

(2) Chips had to be mounted on "lead frames" which provide electrical leads to the many electrical elements or areas of the chips, but lead frames ready for mere assembly in the usual sense of the term were not imported into Taiwan. What was imported were punched or die-cut metal strips capable of later manufacture into lead frames, after the chips were mounted thereon and connected to the leads, by operations hereafter described. Thus, individual lead frames, of different types, were produced in Taiwan from the prefabricated strips. Strips for IC lead frames contained 10 potential lead frames; those for photodiodes contained 50.

(3) The wiring of the chips to connect their circuitry to their lead frame contacts was done after the chips were secured to platforms provided on the metal strips by epoxy adhesive or gold preforms (predominantly if not wholly the former). The gold wire used for this operation was imported in bulk, on spools. Each connection of a frame lead to a chip contact pad by a piece of wire, attached at each end, was as much a manufacturing operation as hand-wiring any other piece of electrical equipment from a bulk supply of wire, notwithstanding the wiring here was done by robot-type machinery. Wiring was a manufacturing operation involving a large number of steps (at least on the IC's) and not a mere joining of two or more parts within the usual meaning of the term "assembly."

(4) The encapsulation of the wired chips on the lead frame strip was a plastic molding operation done in a multi-cavity molding machine. No plastic part ready for "assembly" was used. It was not like enclosing a radio in a cabinet. The bulk molding compound, brought into Taiwan in "hockey puck" form, was put into the molding machine and melted. As a liquid, it was injected into the mold cavities to surround the chip or chips, taking on an entirely new form. The thermosetting resin became solid in the mold and the whole unit was thereafter heated to effect final cure of the resin.

(5) The lead strips, flat until after the IC or photodiode mounting, wiring, and molding operations, were further manufactured by subjecting them to "trim and shear" operations which removed excess borders, severed the strip into individual units, and bent the contacts at right angles to the plane of the original strip, thus producing the "packaged" IC or photodiode which only then was ready for attachment to the flexible circuit board.

[4] In light of the aforesaid explanations of what was actually done to the materials imported into Taiwan, we have no doubt there was compliance with the provision of 19 CFR 10.177(a)(2), "material which had been substantially transformed in the beneficiary developing country into a new and different article of commerce." We therefore respectfully disagree with the conclusion of the court below that the IC's and the photodiodes, as completed ready for assembly into the imported articles, were components "produced outside the BDC." We hold they were, on the contrary, materials produced in the beneficiary developing country and entitled to be included in computing the 35% of the appraised value of the imported cue modules.

The Government also argues, however, that agreement with appellant's position would frustrate the purpose of the GSP, which is to promote—

> * * * "diversification," "development," and "industrialization" of BDC's, and, on the other hand, to assure that the benefits of GSP would accrue to BDC's rather than to developed countries. Clearly, the purpose was to promote manufacturing operations which convert materials into articles, as opposed to a further extension of labor intensive assembly operations which have already been promoted under the "807.00 program."

The Government continues, saying that "It is evident that the GSP program was intended to make developing countries self-sufficient rather than continue the chain of dependency that mere assembly operations may foster." It is concluded that, "while the utilization of the non-BDC cost of fabricated components, in determining whether the 35% value added [sic] requirement * * * was fulfilled, would generally benefit the BDC with possible expansion [sic] of trade, it would * * * frustrate the *major purpose* of our GSP * * *."

Given our holding that the IC's and photodiodes were the result of extensive manufacturing operations in Taiwan which converted materials into articles, as distinguished from mere assembly, that there was "substantial transformation" into new and different articles of commerce, and granting that a statute must be so interpreted as to implement its legislative purpose, we conclude that our decision in the case is harmonious with the legislative purpose. The facts of record indicate that a number of employees were needed, and had to be technically trained in numerous skills to "convert materials into articles" in the manner we have described above, laying the groundwork for the acquisition of even higher skills and more self-sufficiency.

Accordingly, the Court of International Trade's order granting defendant's motion for summary judgment, denying plaintiff's motion for summary judgment, and dismissing the action is *reversed.*

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NIES, *Judge,* dissenting-in-part.

With respect to the Government's motion for summary judgment, I would reverse solely on the ground that the court erred in holding that assembly operations may not, as a matter of law, substantially transform fabricated components into a new and different article of commerce. I would, however, affirm the denial of appellant's motion for summary judgment. Further proceedings are necessary to determine whether a constituent material has been produced in Taiwan. I do not agree that this court should hold for appellant as a matter of law. In particular, I do not assume, as a matter of law, that every article which is of a type sold in commerce is itself an article of commerce. Nor do I agree that by characterizing the processing done in Taiwan as "manufacturing" rather than "assembly" a new and different article is necessarily created. *See,* e.g., *Anheuser-Busch Brewing Association* v. *United States,* 207 U.S. 556 (1908).

United States Court of International Trade

Decisions of the United States Court of International Trade

(Slip Op. 82-41)

COMMITTEE OF U.S. RAYON PRODUCERS, PLAINTIFF *v.* UNITED STATES, DEFENDANT

Court No. 82-1-00054

Before MALETZ, *Judge.*

(Dated: May 27, 1982)

Order

1. Upon consideration of (a) plaintiff's motion for production of confidential documents pursuant to a protective order; and (b) defendant's cross-motion for a protective order precluding disclosure to plaintiff of any of the confidential verification exhibits contained at pages 81–181 and 193–222 of the administrative record; and

2. Upon examination by the court *in camera* of each of the confidential verification exhibits in question, including an *in camera* examination of attachments 1 to 14 of Confidential Exhibit 1; and

3. Upon considering the nature of the confidential verification exhibits and upon balancing the need of the plaintiff for these exhibits as against the need in the public interest to protect confidential information and not impair the ability of the administrative agency to collect confidential verification data of this type in the future (see, e.g., *Connors Steel Co.* v. *United States,* 85 Cust. Ct. 112 at 113, C.R.D. 80–9 (1980); *Nakajima All Co., Ltd.* v. *United States,* 1 CIT ——, Slip Op. 81–95 and 9 (Oct. 26, 1981)).

4. The court determines that given the circumstances of the present case, plaintiff's need for the confidential verification exhibits in question outweighs the need in the public interest for precluding disclosure to plaintiff of these exhibits.

It is therefore ordered:

1. That plaintiff's motion for disclosure of the confidential exhibits pursuant to a protective order be granted and that defendant's cross-motion for a protective order be denied; and

2. That a true, accurate and complete copy of (a) the confidential verification exhibits contained at pages 81–181 and 193–222 of the administrative record and (b) the translations comprising attachments 1–14 to confidential exhibit C shall be made available to plaintiff within 10 days of the entry of this order under the terms of a protective order that is mutually agreeable to the parties.[1]

(Slip Op. 82–42)

KORES MANUFACTURING CORP., PLAINTIFF *v.* UNITED STATES, DEFENDANT

Court No. 79–8–01338, etc.

Before FORD, *Judge.*

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[1] The court notes that defendant does not object to disclosure under a protective order of pages 60 and 71–72 of the administrative record. Accordingly, defendant shall also within 10 days of the entry of this order make available to plaintiff a true, accurate and complete copy of each of these pages under the protective order agreed to by the parties.

(Dated: May 27, 1982)

Plastic Film Ribbon

Certain multistrike film ribbon used in word processing machines was classified as other articles not specially provided for, of textile materials under item 389.62, Tariff Schedules of the United States, *held* properly classified under the provisions of item 676.52, Tariff Schedules of the United States as other parts of office machines.

The proper method of determining the chief value of imported articles is to ascertain the costs of the separate component materials at the time when nothing further remains to be done to them except unite them into the complete article. *United States* v. *Bernard Judae & Co.,* 15 Ct. Cust. Appls. 172, T. D. 42231 (1927).

It is well established in customs law that labor and skill applied to the component after combination with the other component materials, viz—the entire mixture, cannot be attributed to said component taken alone. *United States* v. *Jovita Perez & Co.,* 44 CCPA 35, C.A.D. 633 (1957).

Specially designed multistrike film ribbon used in daisy wheel printers, one of the main components of a word processing system, is included within the definition of the term "office machines" as contained in Schedule 6, Part 4, Subpart G of the Tariff Schedules of the United States.

Whether an article is a part of another article depends on the nature of the so-called "part" and its usefulness, function and purpose in relation to the article in which it is designed to serve. *Gallagher & Ascher Co.* v. *United States,* 52 CCPA 11, C.A.D. 849 (1964); *Victoria Distributors, Inc.* v. *United States,* 57 CCPA 76, C.A.D. 979, 425 F. 2d 759 (1970).

[Judgment for plaintiff.]

(Decided)

Barnes, Richardson & Colburn (Rufus E. Jarman, Jr. and *Richard Haroian* at the trial and on the briefs) for the plaintiff.

J. Paul McGrath, Assistant Attorney General; *Joseph I. Liebman,* Attorney in Charge, International Trade Field Office, Commercial Litigation Branch *(Barbara M. Epstein,* at the trial and on the brief), for the defendant.

FORD, *Judge:* This case presents the issue of the proper classification for customs duty purposes of certain merchandise invoiced as "Multistrike Plastic Film Ribbon", manufactured in Great Britain by Kores Nordic (G. B.) Ltd.

The merchandise was classified by Customs officials as other articles not specially provided for, of textile materials under item 389.62 of the Tariff Schedules of the United States (TSUS), with the rate of duty of 25 cents per lb. plus 15% ad valorem. Additionally, defendant submits as an alternative claim for classification as

parts of typewriters, under item 676.50, TSUS, with rate of duty at 9.5% ad valorem.

Plaintiff contests the classification and maintains the merchandise should have been classified as other articles not specially provided for of plastics under item 774.60, TSUS, which provides for duty at 8.5% ad valorem. Alternatively, plaintiff contends said merchandise is properly dutiable under item 676.52, TSUS, as other parts of office machines and as such dutiable at the rate of duty at 5.5% ad valorem.

Together with the applicable headnotes and rules of interpretation, the following are the pertinent provisions of the Tariff Schedules of the United States.

Classified by Customs officials:

Schedule 3, Part 7. Miscellaneous Textile Products:

* * * * * * *

Subpart B headnotes:

1. This subpart covers articles, of textile materials, not covered elsewhere in the tariff schedules.

Articles not specially provided for, of textile materials:

* * * * * * *

Other articles, not ornamented:

* * * * * * *

Other:

* * * * * * *

389.62	Other	25¢ per lb. + 15% ad val.

Plaintiff's claimed classification:

Schedule 7, Part 12.—Rubber and Plastics Products:

* * * * * * *

Articles not specially provided for, of rubber or plastics:

* * * * * * *

774.60 [1]	Other	8.5% [2] ad val.

Or, alternatively

Schedule 6, Part 4.—Machinery and Mechanical Equipment Claimed Under:

[Typewriters, addressing machines, etc., calculating machine, etc., and office machines not specially provided for]

Parts of the foregoing:

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[1] By virtue of Presidential Proclamation No. 4707 dated December 11, 1979, Item 774.60 was superseded by three new tariff items: 774.45, 774.50, and 774.55. Item 774.55 is analogous to old item 774.60.

[2] The current rate for item 774.55 is 7.7% *ad val.*

Defendant's alternative claim:

676.50	Typewriter parts	9.5% [3] ad val.
676.52	Other	5.5% [4] ad val.

TSUS Schedule 4, Part 1, Subpart C headnotes:

3. The term *"plastics materials"* [in item 405.25] [5] embraces products formed by the condensation, polymerization, or copolymerization of organic chemicals and to which plasticizers, fillers, colors, or extenders may have been added. The term includes, but is not limited to, phenolic and other tar-acid resins, styrene resins, alkyd and polyester resins based on phthalic anhydride, coumarone-indene resins, urethane, epoxy, toluene sulfonamide, maleic, fumaric, aniline, and polyamide resins, and other synthetic resins. The plastics materials may be in solid, semi-solid, or liquid condition, such as flakes, powders, pellets, granules, solutions, emulsions, and other basic forms not further processed.

GENERAL HEADNOTES AND RULES OF INTERPRETATION

9. *Definitions.* For the purposes of the schedules, unless the context otherwise requires—

* * * * * * *

(f) the terms "of" "wholly of", "almost wholly of", "in part of" and "containing", when used between the description of an article and a material (e.g., "furniture *of* wood", "woven fabrics, *wholly of* cotton", etc.), have the following meanings:

(i) "of" means that the article is wholly or in chief value of the named material;

* * * * * * *

10. *General Interpretative Rules.* For the purposes of these schedules—

* * * * * * *

(e) in the absence of special language or context which otherwise requires—

(i) a tariff classification controlled by use (other than actual use) is to be determined in accordance with the use in the United States at, or immediately prior to, the date of importation, of articles of that class or kind to which the imported articles belong, and the controlling use is the

[3] The current rate for item 676.50 is 8.1% *ad val.*

[4] The current rate for item 676.52 is 5.1% *ad val.*

[5] Headnote 3 of Schedule 4, Part 1, Subpart C was amended by the Trade Agreements Act of 1979 (P. L. 96-39, 93 Stat. 220). The only change relates to the bracketed item number. The bracketed section of the headnote currently provides: "in items 408.44 to 409.18, inclusive,".

chief use, i.e., the use which exceeds all other uses (if any) combined;

* * * * * * *

(f) an article is in chief value of a material if such material exceeds in value each other single component material of the article;

* * * * * * *

(ij) a provision for "parts" of an article covers a product solely or chiefly used as a part of such article, but does not prevail over a specific provision for such part.

HEADNOTES

SCHEDULE 3, PART 1, SUBPART E

2. (a) For the purposes of the tariff schedules, the term "*man-made fibers*" refers to the filaments, strips, and fibers covered in this subpart.

(b) Subject to the limitations set forth in Headnotes 1 and 3 of this subpart, the respective provisions in this subpart for filaments, strips, and fibers cover such articles whether they are formed by extrusion or by other processes from substances derived by man from cellulosic or noncellulosic materials by chemical processes, such as, but not limited to, polymerization and condensation;

* * * * * * *

3. For the purposes of this subpart—

* * * * * * *

(d) the term "strips" embraces strips (including strips of laminated construction), whether or not folded lengthwise, twisted, or crimped, which in unfolded, untwisted, and uncrimped condition are over 0.06 inch but not over one inch in width and are not over 0.01 inch in thickness.

The record consists of the testimony of two witnesses called on behalf of the plaintiff and the admission into evidence of 21 exhibits. Defendant produced the testimony of two witnesses together with four exhibits. The official court papers and plaintiff's requests for admissions and defendant's response thereto were received in evidence as unmarked exhibits.

Mr. Melvin Goldman was called as plaintiff's first witness and testified that he is currently vice president and has been employed by the Kores Manufacturing Corp. for three years. He explained that although his basic duty is marketing, he is also familiar with the manufacturing and importing of the merchandise at issue. A multistrike plastic film ribbon is one which can be struck in almost the same place over and over again. The witness identified various styles and types of imported multistrike plastic film ribbons.

He testified plaintiff's exhibit 1 was a representative sample of the merchandise, which merchandise varied in style depending upon the individual customer's specifications. The imported merchandise is a multistrike plastic film ribbon ¼ to 5/16 inches in width, 250 to 1,600 feet in length and .0095–.0012 inches in thickness.

The plastic film ribbons are designed to fit into cassettes which are used in the daisy printers of word processing systems. Plaintiff's exhibit 1 is a ribbon ¼ of an inch wide and 350 feet long with an adhesive takeup to keep ribbon from unraveling, a yellow cross hatch warning strip, a leader and a clear trailer. Differences in the construction of the various exhibits manifest the fact they are designed for use in different word processing systems. He testified he had often visited the premises of plaintiff's customers and observed the operations performed on the ribbons after importation. Some of his customers, he explained, opened the cassettes, refilled them with multistrike film ribbons and sold them to end users. Basically, the imported film ribbons are sold to manufacturers of printers who in turn sell the printers to major companies that build word processing systems around them. The witness visited customers in New Jersey, California, and Puerto Rico, where he observed the operations performed on the imported film ribbons. It appears each of plaintiff's customers has different expectations and specifications for the multistrike ribbons. The witness worked closely with his company's customers in designing the ribbons, drawing up specifications, and determining the coating formulation. The multistrike ribbons are delivered to the customers in their imported condition. They are then loaded into cassettes. Plaintiff's exhibits 2, 4, and 6 are examples of multistrike film ribbons loaded into the cassettes by plaintiff's customers. Some of the differing characteristics of the ribbon include the coating, leaders, cross hatching, and length. For one of his company's first customers, the witness testified he had visited them over a hundred times for the purpose of adjusting the multistrike film properties to fit the customer's needs. A multistrike ribbon is a known article of commerce and is produced by at least one other company. Based upon his experience with ribbons for word processing systems, the witness testified to the differing types of coatings and materials used for single strike or correctible coatings and those materials and coatings used for multistrike ribbons.

The witness stated the multistrike ribbon was developed for use with a "daisy wheel printer" which is a part of a word processing system. Multistrike ribbons have a base film of tensilized polyester which is strong enough to permit repeated striking in almost the same spot without deforming the ribbon. The daisy wheel printer is one of the main components of a word processing system. The usual word processing system is composed of a cathode ray tube screen, a keyboard, a disk drive and memory, and a daisy wheel

printer. The keyboard supplies data into the memory which may be monitored on a cathode ray tube screen. Material previously stored may, on demand, be transferred to paper by the printer using the daisy wheel. The daisy wheel printing system permits printing of fifty-five characters per second as compared to the conventional electric typewriter which types a maximum of twelve characters per second. The high velocity of a daisy wheel printing system necessitated the development of a new type of ribbon which could be struck more than once, would fit into the relatively limited space of the daisy wheel printer and provide an acceptable quality of print.

Mr. Goldman explained that a single strike ribbon may yield about 25,000 characters while a multistrike ribbon of the same length would yield about 133,000 characters. Accordingly, to use single strike ribbons in a word processing machine would require a frequent and unacceptable number of ribbon changes. In addition the polyethylene base used in a single strike ribbon requires greater space for the takeup side to contain the ribbon than the space required on the supply side of a cartridge.

He acknowledged under cross examination that defendant's exhibits A and B, typewriter correctible film ribbon, was similar to the imported multistrike ribbon to the extent they have leaders, cores, a round shape and a coated film. However, he differentiated the imported merchandise by its high quality, its formulated coating, and by its inability to fit directly into a word processing machine.

Mr. Goldman stated that the use of a word processing system as a typewriter would be a misuse since the features of the word processor would not be utilized. On redirect examination the witness explained that defendant's exhibit A, a single strike ribbon, has a thinner coating on a polyethylene base and is designed to totally transfer the ink for one character at a time. One of the differences between the imported article and defendant's exhibit B is that the imported merchandise is made from a more expensive polyester base material while exhibit B is made from a polyethylene base material. Exhibit B, he said, is a very simplistic cartridge without any gearing mechanism. It is made for a slow speed machine. In both the polyethylene ribbons and imported polyester film ribbon, the most expensive component is the film base of either polyester or polyethylene.

Plaintiff then called Anthony Jackson, the managing director of Kores Nordic (G.B.) Ltd. (hereinafter "Kores, U.K."), the manufacturer of the imported merchandise, and parent company of plaintiff Kores Manufacturing Corp. As managing director, he is responsible for manufacturing, accounting administration, sales, purchases, and other associated functions of a chief executive officer.

The witness testified that Kores, U.K. is a manufacturer of business products involving a wide line of office supplies including

single strike ribbons, cloth ribbons and multistrike ribbons, as well as carbon paper and other related items.

Mr. Jackson stated he was familiar with the manufacture of film ribbons produced by his company. Initially the process begins with a roll of polyester sheet 26½ inches wide, 12 thousand meters long, purchased from a supplier and known in the industry as jumbo rolls. The sheet is first treated with an undercoating and then a second coating. The undercoating contains solvents, resins and pigments. The materials for the coating are produced by Kores and then combined. The undercoating is applied to the sheet of polyester by a machine to enable the second coating to adhere to the polyester sheet base. After undercoating the film is dried and then the second coating is applied. The second or main coating material is a combination of ingredients such as oil, pigments, resins and solvents. After application the principal coating is machine dried. Not all jumbo rolls are treated alike, depending on customer specifications. The steps in processing include coating the jumbo roll, printing the yellow cross-hatching, and splicing the clear trailers and leaders to the roll. All of these operations are completed before the polyester sheeting is slit. The next step in the process is to thread the sheets into the slitting heads which in turn cut the film into the specified widths, after which the film is attached to the cores and wound to the appropriate length. In some situations where reflective tape is required, the tape is added to the jumbo rolls at the same time and in the same widths as the leader and trailer.

The witness identified and explained plaintiff's confidential documents, collective exhibit 16, which consist of Kores U.K. standard and actual costs and a compilation of costs for June 1978 prepared from the company's costs compilations. A third document, in collective exhibit 16, consists of a breakdown of the manufacturing process into six stages and the material costs, labor costs and overhead costs for each stage. The stages of manufacture are enumerated as follows:

(1) film carbon
(2) undercoat
(3) coat
(4) ends, i.e., leader, trailer, cross hatch and reflective foil
(5) slitting
(6) cores.

A nonconfidential version of exhibit 16 was also admitted into evidence as exhibit 17. It set forth the costs in terms of the percentages of the total of each class of costs. It is clear the cost of the polyester film as shown from plaintiff's exhibit 16 and 17 far exceeds the cost of all of the other components or materials. The polyester sheet is used because of its physical properties of strength, thinness and resistance to deformation under impact.

Mr. Jackson stated the word processing machines differ from typewriters since a typewriter stands alone while a word processing machine consists of a number of components. In its most simple terms, a word processing system would have a keyboard, cathode ray tube, a drive unit which houses a memory which gives signals to the system, and a printer. According to the witness the use of the imported ribbon on typewriters is not possible because they are designed to fit into specific word processing cartridges which are used in specific machines. This confirms the testimony of Mr. Goldman.

Defendant's witness, Richard Lutzer, Chief of the Textile Branch of the Customs Laboratories in New York, identified the sheet of polyester material included as part of plaintiff's exhibit 15 and described it as a plastic film and not a textile material because it did not meet the Tariff Schedule definition in terms of its dimensions for it to be textile materials. He also stated the IBM magcard machine is a typewriter with a memory.

Mr. Jackson, in rebuttal, testified that while magcard typewriters have a memory, he considers them as typewriters at the top end of the scale. There is a large gap between them and the power, sophistication, technique and price of a word processing system. A word processor is designed to have an editing function with total flexibility to manipulate words, sentences or paragraphs. The word processor can take any letter, word, line, sentence, and by use of a keyboard manipulate those letters or words to form any order or shape without having to make a final hard copy. This is accomplished by displaying it on a cathode ray tube.

The imported multistrike ribbon was classified under the tariff provisions in terms of its composition. The General Headnotes to the Tariff Schedules of the United States provide guidance of how the terms are to be construed in the tariff schedules.

Thus a General Headnotes and Rule of Interpretation headnote 9(f)(i) provides in part that the term "of" when used between the description of an article and a material means, the article is wholly or in chief value of the named material. In this case it is plaintiff's obligation to refute the presumption of correctness attaching to the classification and prove the importation was not wholly or in chief value "of textile material", since it is plaintiff's claim that the multistrike film ribbon is in component material of chief value "of plastic", and it is plaintiff's burden to establish the imported merchandise to be in chief value of plastic. *Broadway-Hale Stores, Inc.* v. *United States,* 63 Cust. Ct. 194, C.D. 3896 (1969).

The proper method of determining chief value is to ascertain the costs of the separate component materials at the time when they have reached the state when nothing further need be done to them except combine them into the completed article. *United States* v. *Jovita Perez,* 44 CCPA 35, C.A.D. 633 (1957); *J. C. Penney Purchasing Corporation* v. *United States,* 77 Cust. Ct. 48, C.D. 4671 (1976).

While it is undisputed that the value of the materials should be determined when no further steps remain to be done to them, there is open in each case the determination of the issue as to whether or not that stage has or has not been reached. *United States* v. *Meadows*, 2 Ct. Cust. Appls. 143, T. D. 31665 (1911). *N. Erlanger Blumgart Co.* v. *United States*, 57 CCPA 127, 428 F. 2d 860 (1970).

In *United States* v. *Bernard, Judae & Co.*, 15 Ct. Cust. Appls. 172, T. D. 42231 (1927), the court discussed the reason for the general rule for the determination of the component material of chief value. The court held the value of the materials of which an article is composed at the time when they are in a condition to be joined and nothing further remains to be done to them is controlling. The court made the following observation:

> * * * The uniting of the component materials to make the finished article is a labor bestowed upon the article itself and not upon the component material. These bristles were ready to become a part of the brushes before they were inserted in the handle. The insertion of the same, the binding them in place with wire staples, as the evidence shows was done, and the subsequent trimming all were labor upon the brush and not upon the bristles, within the meaning of the statute.

An examination of the record reveals the components which make up the imported articles include a roll of polyester plastic sheet 26⅛ inches in width, an undercoating and coating composed of solvents, resins, pigments, oil dyestuff and fibers as well as leaders, trailers, tapes and cores. Plaintiff's testimony indicates that the roll of plastic film is purchased in condition ready to unite it with the other component materials. The record establishes the cost of the plastic film constitutes 59.714 percent of all the material costs incurred in producing the imported plastic ribbon for the period of the importation.

At the point in time for determining component material in chief value, the imported article is not a textile material. The component material of chief value is the polyester plastic sheet in its uncut 26½ inch width. There is no dispute that the polyester sheet is a "plastic" within the scope of the Tariff Schedules of the United States.

It has been admitted by defendant in response to plaintiff's requests for admission that the polyester film is made from polyethylene terephthalate which is a polymer formed by the condensation of ethylene glycol and terephthalic acid which are organic chemicals.

Furthermore polyester film conforms to the definition of plastic materials contained in Headnote 3, Subpart C, Part 1 of Schedule 4.[6]

Conversely defendant's reason for classifying the imported ribbon as textile materials is the fact that the ribbons as imported conform to the dimensional specifications of "strips" as defined in Headnote 3(d), Subpart E, Part 1, Schedule 3.[7]

However, at the time for determining the component material in chief value, no such "strips" exist. They were sliced from the 26 inch jumbo roll during the final stage of production.

In the course of producing a jumbo multistrike sheet 26½ inches wide (coating, undercoating, etc.) further operations of cross-hatching, attachment of leader, trailer and reflective materials, etc. are performed before the sheet is slit to a width of under one inch. The slitting of the coated plastic sheet is not considered in determining the chief value since labor applied after it is at the point of combination is not a factor of chief value. *United States* v. *Fondeville & Von Iderstine,* 7 Ct. Cust. Appls. 135, T.D. 36457 (1916). An expression of this authority may be found in *United States* v. *Jovita Perez,* 44 CCPA 35, 39, C.A.D. 633 (1957):

> It is obvious, taking into consideration the aforequoted explanation of the rule, that the rule, in fact, is not a departure from the plain language of the statute. At best, it is a means to implement this directive. In its effect, the rule does provide for the ascertaining of the value of each component material in its condition as found in the article, but implicit in the rule is a recognition of the fact that labor and skill applied to the component after combination with the other component materials, viz—to the entire mixture, cannot be attributed to said component taken alone.

See also United states v. *Johnson & Johnson,* 154 Fed. 39 (2nd Cir. 1907).

In the instant case the "strips" are not present when the other component materials were united to produce the imported articles. Thus, on the record it is concluded that the component material in chief value of the multistrike ribbons, at the time when the components are in such condition that nothing remains to be done except to combine them, is the plastic sheeting.

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[6] 3. The term "*plastics materials*" in item 405.25 embraces products formed by the condensation, polymerization, or copolymerization of organic chemicals and to which plasticizers, fillers, colors, or extenders may have been added. The term includes, but is not limited to, phenolic and other tar-acid resins, styrene resins, alkyd and polyester resins based on phthalic anhydride, coumarone-indene resins, urethane, epoxy, toluene sulfonamide, maleic, fumaric, aniline, and polyamide resins, and other synthetic resins. The plastic materials may be in solid, semi-solid, or liquid condition, such as flakes, powders, pellets, granules, solutions, emulsions, and other basic forms not further processed.

The Trade Agreements Act of 1979 (P.L. 96-36, 93 Stat. 220) amended item number from "in item 405.25" to "in items 408.44 to 409.18 inclusive,".

[7] 3. For the purpose of this subpart—

* * * * * * * *

(d) the term "*strips*" embraces strips (including strips of laminated construction), whether or not folded lengthwise, twisted, or crimped, which in unfolded, untwisted, and uncrimped condition are over 0.06 inch but not over one inch in width and are not over 0.01 inch in thickness.

Having concluded that the merchandise is not "of textile materials" it is equally clear from the record that the "strips" are not articles *formed* by extrusion or other process within the language of Headnote 2(b) of Subpart E, Part 1 of Schedule 3.

The dispute moves to the question of whether the imported articles are more specifically provided for as claimed by plaintiff as articles not specially provided for of rubber or plastic, or as other parts of office machines under item 676.52, TSUS, or under defendant's alternative claim under item 676.50 as typewriter parts.

Headnote 1(iv) in Schedule 6, Part 4, excludes articles of textile materials from classification within this part.[8]

However, as it is established that this imported merchandise is not "articles of textile materials" the headnote does not exclude the involved merchandise.

Plaintiff contends the record conclusively establishes the imported merchandise is not subject to classification as typewriter parts, but is properly classifiable as parts of other office machines under item 676.52.

In resolving the issue plaintiff relies upon General Interpretative Rule 10(ij) [9] TSUS. Rule 10(ij) requires that a "part" of an article is a product solely or chiefly used as a part.

Chief use as set forth in General Interpretative Rule 10(e)(i) provides:

> (e) in the absence of special language or context which otherwise requires—
>
> (i) a tariff classification controlled by use (other than actual use) is to be determined in accordance with the use in the United States at, or immediately prior to, the date of importation, of articles of that class or kind to which the imported articles belong, and the controlling use is the chief use, i.e., the use which exceeds all other uses (if any) combined;

On the question of chief use it has long been held that importers and merchants have every incentive for knowing the uses to which their goods are or may be put. *United States* v. *Baltimore & Ohio R.R. Co.*, 47 CCPA 1, C.A.D. 719 (1959); *Kubie & Co.* v. *United States*, 12 Ct. Cust. Appls. 468, T.D. 40668 (1925).

In this same vein this court has had occasion to point out that executives concerned with designing, framing specifications, ordering, importing, selling, distributing and promoting an article have to know its chief use and are of course competent to testify about them. *F. B. Vandegrift & Co. Inc.* v. *United States*, 56 Cust. Ct. 103,

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[8] 1. This part does not cover—

* * * * * * *

(iv) articles of textile materials; articles of stone; of ceramic ware, of glass, or of other materials provided for in schedule 5; or articles of leather or of fur on the skin ***.

[9] 10. *General Interpretative Rules.* For the purposes of these schedules—

* * * * * * *

(ij) a provision for "parts" of an article covers a product solely or chiefly used as a part of such article, but does not prevail over a specific provision for such part.

C.D. 2617 (1966); *Royal Cathay Trading Co.* v. *United States,* 56 Cust. Ct. 371, C.D. 2662 (1966). Turning to the present controversy, the testimony elicited at trial establishes that the imported film ribbons are used in office machines known as "printers". The testimony of Mr. Goldman and Mr. Jackson indicate they were concerned with the specifications, ordering, selling and distribution of the article.

Defendant asserts plaintiff has not proven that the multistrike ribbons involved herein are of the class chiefly used in office machines other than typewriters.

An examination of the definition contained in TSUS Schedule 6, Part 4, Subpart G provides the following definition of the term office machines:

SUBPART G.—OFFICE MACHINES

Subpart G headnotes:

* * * * * * *

2. For the purposes of this subpart—

(a) the term *"office machines"* refers to machines which are used in offices, shops, factories, workshops, schools, depots, hotels, and elsewhere, for doing work concerning the writing, recording, sorting, filing, mailing of correspondence, records, accounts, forms, etc., or for doing other "office work", and which have a base for fixing or placing them on a table, desk, wall, floor, or similar place * * *.

The record is replete with facts establishing the imported film ribbons are used exclusively in office machines known as printers. The daisy wheel printers were developed as a result of advancing technology which permitted greater printing speed. Plaintiff has established that the imported multistrike ribbons serve by actual design and character as a part of a daisy wheel printer. The Tariff Schedules definition of "office machines" refers to "machines which are used in offices, shops, factories * * * and elsewhere, for doing work concerning the writing, recording, * * * mailing of correspondence". The conclusion is unmistakable that multistrike film ribbons are parts of office machines. It is noted a typewriter operates at a speed of 12 characters per second while the daisy wheel printer using the multistrike film ribbon may produce 55 characters per second. Such speed necessitates a film ribbon that can fit into a relatively small space, produce a quality printing, be struck repeatedly in the same space and not require frequent changing. These requirements were not met by either the cloth type ribbons or single strike ribbons. Thus the polyester base multistrike film was developed, and it filled the need for use in the high velocity daisy wheel printers. There is no dispute in the testimony that printers are not typewriters and the imported film ribbons are not typewriter ribbons. There are authoritative and persuasive state-

ments in the record that the word processing system is much more than a typewriter. The capabilities of transferring words, lines, memory, screen display, and price are some of the distinguishing characteristics.

Chief use or even sole use in and of itself does not necessarily make an import a "part". *Robert Bosch Corp.* v. *United States,* 63 Cust. Ct. 187, 305 F. Supp. 921 (1969). In order to be classified as a "part" the article must serve a useful function in relation to the main article and in some way contribute to the efficient or safe operation of that article. *Gallagher & Ascher Co.* v. *United States,* 52 CCPA 11, C.A.D. 849 (1964); *Victoria Distributors Inc.* v. *United States,* 57 CCPA 76, 425 F.2d 759 (1970). Thus, in the case at bar there is no doubt that by this measure a multistrike ribbon is a useful part of a printer, since it provides a hard copy of the material put into the word processing machine.

Moreover even though the merchandise may resemble a typewriter ribbon, they are more durable, efficient and suited only to the demands of high velocity printers used in word processing machines. Hence it is concluded from the undisputed evidence and the clear testimony of the witnesses that the imported film ribbons are parts of office machines.

From the foregoing it is equally apparent the imported film ribbons differ substantially in construction, efficiency and use from a single strike typewriter ribbon used in office typewriters. The imported articles are unmistakably more than typewriter ribbons and provide the means of transferring words from a stored memory unit to an office machine printer. The imported articles rapidly produce printed characters upon paper from a specially formulated plastic film ribbon.

In view of the foregoing, it is unnecessary to consider plaintiff's alternative claim for classification as articles of plastic not specially provided for.

The classification of the merchandise as articles of textile materials, not specially provided for, is overruled and the alternative claim by plaintiff for classification under item 676.52, TSUS, as parts of office machines is sustained.

Judgment will be entered accordingly.

Decisions of the United States Court of International Trade

Abstracts

Abstracted Protest Decisions

DEPARTMENT OF THE TREASURY, *June 1, 1982.*

The following abstracts of decisions of the United States Court of International Trade at New York are published for the information and guidance of officers of the Customs and others concerned. Although the decisions are not of sufficient general interest to print in full, the summary herein given will be of assistance to Customs officials in easily locating cases and tracing important facts.

WILLIAM VON RAAB,
Commissioner of Customs.

DECISION NUMBER	JUDGE & DATE OF DECISION	PLAINTIFF	COURT NO.	ASSESSED	HELD	BASIS	PORT OF ENTRY AND MERCHANDISE
				Par. or Item No. and Rate	Par. or Item No. and Rate		
P82/79	Re, C.J. May 26, 1982	Daniel B. Hastings	66/10404, etc.	Item 690.15 18%	Item 807.00 Duty free	Rudolph Miles v. U.S. (C.A.D. 1202)	Laredo American goods returned; center sill section Z-26 and side plate section S-281 (U.S. fabricated components of imported railroad boxcars)
P82/80	Re, C.J. May 26, 1982	Daniel B. Hastings	66/10412, etc.	Item 690.15 18%	Item 807.00 Duty free	Rudolph Miles v. U.S. (C.A.D. 1202)	Laredo American goods returned; sections Z-26 and BA-125 (U.S. fabricated components of imported railroad gondola cars)
P82/81	Re, C.J. May 26, 1982	Daniel B. Hastings	66/10426, etc.	Item 690.15 18%	Item 807.00 Duty free	Rudolph Miles v. U.S. (C.A.D. 1202)	Laredo American goods returned; sections Z-26, A-5, and BA-125 (U.S. fabricated components of imported railroad gondola cars)
P82/82	Re, C.J. May 26, 1982	Daniel B. Hastings	69/30803, etc.	Item 690.15 18%	Item 807.00 Duty free	Rudolph Miles v. U.S. (C.A.D. 1202)	Laredo American goods returned; center sills (U.S. fabricated components of imported railroad boxcars)
P82/83	Watson, J. May 26, 1982	Rembrant Electronics, Inc.	67/16863, etc.	Item 685.90 17.5%	Item 685.20 10%	All Channel Products Corp. v. U.S. (Slip Op. 81-8, Jan. 16, 1981)	New York Parts of television apparatus
P82/84	Watson, J. May 26, 1982	Rembrant Electronics, Inc.	67/83656, etc.	Item 685.90 17.5%	Item 685.20 10%	All Channel Products Corp. v. U.S. (Slip Op. 81-8, Jan. 16, 1981)	New York Parts of television apparatus

Decisions of the United States Court of International Trade

Abstracts

Abstracted Reappraisement Decisions

DECISION NUMBER	JUDGE & DATE OF DECISION	PLAINTIFF	COURT NO.	BASIS OF VALUATION	HELD VALUE	BASIS	PORT OF ENTRY AND MERCHANDISE
R82/387	Re, C.J. May 26, 1982	Dorf International Inc. et al.	R61/01865	Export value	Net appraised values less 7½% thereof, net packed	U.S. v. Getz Bros. & Co. et al. (C.A.D. 927)	Houston Plywood
R82/388	Re, C.J. May 26, 1982	Getz Brothers & Co., Inc.	R59/00589	Export value	Net appraised values less 7½% thereof, net packed	U.S. v. Getz Bros. & Co. et al. (C.A.D. 927)	Philadelphia Plywood
R82/389	Re, C.J. May 26, 1982	Heide & Co., Inc., a/c Foreign Traders, Inc.	R61/15148	Export value	Net appraised values less 7½% thereof, net packed	U.S. v. Getz Bros. & Co. et al. (C.A.D. 927)	Wilmington, N.C. Plywood
R82/390	Re, C.J. May 26, 1982	Pacific Hardwood Sales, et al.	R59/00503, etc.	Export value	Net appraised values less 7½% thereof, net packed	U.S. v. Getz Bros. & Co. et al. (C.A.D. 927)	San Francisco Plywood
R82/391	Re, C.J. May 26, 1982	Wilmington Shipping Co.	R60/06302, etc.	Export value	Net appraised values less 7½% thereof, net packed	U.S. v. Getz Bros. & Co. et al. (C.A.D. 927)	Wilmington, N.C. Plywood

R82/392	Re, C.J. May 26, 1982	Ziel & Company, Inc.	R58/24175, etc.	Export value	Net appraised values less 7¼% thereof, net packed	U.S. v. Getz Bros. & Co. et al. (C.A.D. 927)	Tacoma (Seattle) Plywood
R82/393	Re, C.J. May 26, 1982	Ziel & Company, Inc.	R60/00730, etc.	Export value	Net appraised values less 7¼% thereof, net packed	U.S. v. Getz Bros. & Co. et al. (C.A.D. 927)	Longview (Portland, Oreg.) Plywood
R82/394	Watson, J. May 26, 1982	Baar & Beards	R61/5170, etc.	Export value	Appraised unit values less 7.5% thereof, net packed	Agreed statement of facts	New York Scarves
R82/395	Watson, J. May 26, 1982	Durlacher & Co., Inc.	R59/13100, etc.	Export value	F.o.b. unit invoice prices plus 20% of difference between f.o.b. unit invoice prices and appraised values	Agreed statement of facts	New York Rayon silk scarves
R82/396	Watson, J. May 26, 1982	Glensder Textile Corp.	273540-A, etc.	Export value	Appraised unit values less 7.5% thereof, net packed	Agreed statement of facts	New York Mufflers and scarves
R82/397	Watson, J. May 26, 1982	Herzman Scarves, Inc.	291499-A, etc.	Export value	Appraised unit values less 7.5% thereof, net packed	Agreed statement of facts	New York Collars, mufflers, scarves, etc.
R82/398	Watson, J. May 26, 1982	Kanematsu-Gosho (USA) Inc.	R66/21935	Export value	Appraised unit values less 7.5% thereof, net packed	Agreed statement of facts	New York Radios
R82/399	Watson, J. May 26, 1982	R. J. Saunders & Co.	R61/1603, etc.	United States value	Values specified in column designated "Dutiable Value" attached to decision and judgment	Agreed statement of facts	New York Thiourea from Japan
R82/400	Watson, J. May 26, 1982	Universal Brass Mfg. Co.	R58/15112	Export value	F.o.b. unit invoice prices plus 20% of difference between f.o.b. unit invoice prices and appraised values	Agreed statement of facts	Los Angeles Mallable gal. floor flanges, etc.

DECISION NUMBER	JUDGE & DATE OF DECISION	PLAINTIFF	COURT NO.	BASIS OF VALUATION	HELD VALUE	BASIS	PORT OF ENTRY AND MERCHANDISE
R82/401	Watson, J. May 26, 1982	Winter Wolf & Co., Inc.	R58/19986	Export value (merchandise marked "A" and "B")	F.o.b. unit invoice prices plus 20% of difference between f.o.b. unit invoice prices and appraised values (schedule "A" merchandise) Appraised unit values less 7.5% thereof, net packed (schedule "B" merchandise)	Agreed statement of facts	Los Angeles Mallable pipe fittings, etc. (merchandise marked "A" and "B")
R82/402	Newman, J. May 26, 1982	Yamaha Int'l Corp.	R64/18315	Cost of production	Invoice unit values, net packed	Agreed statement of facts	Los Angeles Motorcycle parts from Japan

International Trade Commission Notices

Investigations by the U.S. International Trade Commission

DEPARTMENT OF THE TREASURY, *June 9, 1982.*

The appended notices relating to investigations by the U.S. International Trade Commission are published for the information of Customs officers and others concerned.

WILLIAM VON RAAB,
Commissioner of Customs.

Investigations Nos. 701-TA-174 and 175 (Preliminary)

CERTAIN COMMUTER AIRPLANES FROM FRANCE AND ITALY

AGENCY: United States International Trade Commission.

ACTION: Institution of preliminary countervailing duty investigations and scheduling of a conference to be held in connection with the investigations.

SUMMARY: The U.S. International Trade Commission hereby gives notice of the institution of investigations Nos. 701-TA-174 and 175 (Preliminary) to determine, pursuant to section 703(a) of the Tariff Act of 1930 (19 U.S.C. Part 1673b(a)), whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from France and Italy of certain commuter airplanes, provided for in item 694.41 of the Tariff Schedules of the United States, upon which subsidies are alleged to be paid. For purposes of this investigation, "commuter airplanes" are airplanes having a seating capacity of less than 60 seats.

EFFECTIVE DATE: May 27, 1982.

FOR FURTHER INFORMATION CONTACT: Woodley Timberlake, Office of Investigations, U.S. International Trade Commission; telephone 202-523-4618.

SUPPLEMENTARY INFORMATION:

Background.—On May 27, 1982, a petition was filed with the Department of Commerce by counsel for Commuter Aircraft Corporation alleging that producers, manufacturers, or exporters in France and Italy of certain commuter airplanes receive, directly or indirectly, bounties or grants within the meaning of section 701 of the Tariff Act of 1930 (the Act).

The Commission must make its determination in the investigations within 45 days after the date on which the Commission and the Department of Commerce receive a petition filed under section 702(b) of the Act, or by July 12, 1982 (19 CFR § 207.17 (1981)). The investigation will be subject to the provisions of part 207 of the Commission's Rules of Practice and Procedure (19 CFR § 207.17 (1981), as amended by 47 F.R. 6190 (Feb. 10, 1982)), and particularly subpart B thereof.

Written submissions.—Any person may submit to the Commission on or before June 28, 1982, a written statement of information pertinent to the subject matter of these investigations. A signed original and fourteen copies of such statement must be submitted. In the event that confidential treatment of the document is requested under § 201.6, at least one additional copy shall be filed in which the confidential business information shall have been deleted and which shall have been marked "nonconfidential" or "public inspection".

Any business information which a submitter desires the Commission to treat as confidential shall be submitted in conformance with the requirements of section 201.6 of the Commission's Rules of Practice and Procedure (19 CFR § 201.6 (1981)). Each sheet of information for which confidential treatment is desired must be clearly marked at the top "Confidential Business Data".

All written submissions, except for confidential business data, will be available for public inspection at the Office of the Secretary, U.S. International Trade Commission.

Conference.—The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 10:00 a.m., e.d.t., on June 23, 1982, at the U.S. International Trade Commission Building, 701 E Street, NW., Washington, D.C. Parties wishing to participate in the conference should contact the Supervisory investigator for the investigations, Mr. John MacHatton, telephone 202-523-0439, not later than June 18, 1982, to arrange for their appearance. Parties in support of the imposition of countervailing duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

For further information concerning the conduct of the investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, part 207, subparts A and B (19 CFR § 207 (1981)), as amended by 47 F.R. 6190 (Feb. 10, 1982), and part 201, subparts A through E (19 CFR § 201 (1981)), as amended

by 47 F.R. 6190 (Feb. 10, 1982). Further information concerning the conduct of the conference will be provided by Mr. MacHatton.

This notice is published pursuant to section 207.12 of the Commission's Rules of Practice and Procedure (19 CFR § 207.12 (1981)).

By order of the Commission.

Issued: June 4, 1982.

KENNETH R. MASON,
Secretary.

Investigation No. 701-TA-154 (Preliminary)

HOT-ROLLED STAINLESS STEEL BAR, COLD-FORMED STAINLESS STEEL BAR, AND STAINLESS STEEL WIRE ROD FROM SPAIN

AGENCY: United States International Trade Commission.

ACTION: The Commission hereby gives notice that it has changed the numerical identification of the subject investigation. Investigation No. 701-TA-154 (Preliminary), Hot-Rolled Stainless Steel Bar, Cold-Formed Stainless Steel Bar, and Stainless Steel Wire Rod from Spain, is replaced by investigations Nos. 701-TA-176 (Preliminary), Hot-Rolled Stainless Steel Bar from Spain, 701-TA-177, Cold-Formed Stainless Steel Bar from Spain, and 701-TA-178 (Preliminary), Stainless Steel Wire Rod from Spain.

EFFECTIVE DATE: June 2, 1982.

FOR FURTHER INFORMATION CONTACT: Mr. Lynn Featherstone, Office of Investigations, U.S. International Trade Commission; telephone 202-523-0242.

By order of the Commission.

Issued: June 4, 1982.

KENNETH R. MASON,
Secretary.

Investigation No. 731-TA-46 (Final)

CERTAIN STEEL WIRE NAILS FROM KOREA

Notice of Change of Public Hearing Date

AGENCY: United States International Trade Commission.

ACTION: Change of date of public hearing in connection with Investigation No. 731-TA-46 (Final).

SUMMARY: Notice is hereby given that the United States International Trade Commission has changed the date of the previously announced public hearing in the subject investigation (46 FR 21641). The hearing will now be held on June 28, 1982, beginning

at 10:00 a.m., in the United States International Trade Commission Building, 701 E St., NW., Washington, D.C.

SUPPLEMENTARY INFORMATION: Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m.) on June 9, 1982. All persons desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m., on June 11, 1982, in Room 117 of the U.S. International Trade Commission Building and must file prehearing statements on or before June 22, 1982. Any person may submit to the Commission on or before July 6, 1982, written statements of information pertinent to the subject matter of the investigation.

FOR FURTHER INFORMATION CONTACT: Judith Zeck, Office of Investigations, U.S. International Trade Commission (202) 523–0339.

By order of the Commission.

Issued: May 28, 1982.

KENNETH R. MASON,
Secretary.

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